

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Chapter 11
W.R. GRACE & Co., et al., Case No. 01-01139 (JKF)
(Jointly Administered)
Debtors

SEVENTEENTH INTERIM APPLICATION OF FTI POLICANO & MANZO,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM AUGUST 1, 2002 THROUGH AUGUST 31, 2002)

Name of Applicant:	FTI Policano & Manzo
Authorized to Provide Professional Services to:	The Official Committee of Unsecured Creditors
Date of Retention:	June 21, 2001
Period for which compensation and reimbursement is sought:	August 1, 2002 through August 31, 2002
Amount of Compensation sought as actual, reasonable and necessary (80% of \$76,092.50):	\$60,874.00
Amount of Expense Reimbursement sought as actual, reasonable and necessary (100%):	\$ 1,264.23

This is an: X interim _____ final application

The total time expended for fee application preparation is approximately 26.7 hours and corresponding compensation requested is approximately \$9,177.50. The time expended included approximately 9.1 hours spent on preparation of the sixteenth interim fee application, approximately 1.0 hours spent on preparation of the fifth quarterly interim fee application and approximately 16.6 hours spent preparing our response to the fee auditor's report.

This is the SEVENTEENTH application filed. Disclosure for prior periods and current period is as follows:

Invoice

W.R. GRACE & CO. ET AL.
Summary of Fees by Professional
For the period August 1, 2002 through August 31, 2002

	Total <u>Hours</u>	Billing <u>Rate</u>	Amount
E. Ordway	11.2	\$ 550	\$ 6,160.00
S. Cunningham	23.8	\$ 440	10,450.00
C. Whitney	12.0	\$ 375	4,500.00
W. Gilligan	54.9	\$ 375	20,587.50
L. Hamilton	90.3	\$ 350	31,605.00
J. Schwendeman	3.0	\$ 325	975.00
M. Hakoun	9.6	\$ 150	1,440.00
N. Backer	5.0	\$ 75	375.00
TOTAL	<u>209.8</u>		<u>\$ 76,092.50</u>

Invoice

W.R. GRACE & CO. ET AL.
 Summary of Hours by Category
 For the period August 1, 2002 through August 31, 2002

Rate	Fees Per Professional	Business Analysis	Corporate Finance	Data Analysis	Case Administration	Claims Analysis/Objections/ Administration (asbestos)	Creditors Committee	Employee Benefits/ Pension	Fee Applications, Applicant	<u>TOTAL</u>		
										<u>Task</u>	<u>Code</u>	<u>2</u>
										<u>3</u>	<u>4</u>	<u>8</u>
\$ 550	\$ 6,160.00	E. Ordway		\$ 2,640.00	\$ 385.00	\$ 1,375.00	\$ 275.00	\$ 1,210.00	\$ -			\$ 6,160.00
\$ 440	\$ 10,450.00	S. Cunningham		\$ 3,740.00	\$ 1,980.00	\$ 4,070.00	\$ -	\$ -	\$ -			\$ 10,450.00
\$ 375	\$ 4,500.00	C. Whitney		\$ 2,775.00	\$ -	\$ 1,725.00	\$ -	\$ -	\$ -			\$ 4,500.00
\$ 375	\$ 20,387.50	W. Gilligan		\$ 17,100.00	\$ -	\$ 1,155.00	\$ 3,710.00	\$ 910.00	\$ 562.50			\$ 20,587.50
\$ 350	\$ 31,605.00	L. Hamilton		\$ 11,760.00	\$ 4,620.00	\$ -	\$ 975.00	\$ -	\$ 1,015.00			\$ 31,605.00
\$ 325	\$ 975.00	J. Schwendeman		\$ -	\$ -	\$ 345.00	\$ -	\$ 195.00	\$ -			\$ 975.00
\$ 150	\$ 1,440.00	M. Hakoun		\$ 900.00	\$ -	\$ -	\$ -	\$ -	\$ -			\$ 1,440.00
\$ 75	\$ 375.00	N. Backer		\$ -	\$ -	\$ -	\$ 292.50	\$ -	\$ -			\$ 375.00
	\$ 76,092.50	Totals		\$ 38,915.00	\$ 6,985.00	\$ 9,645.00	\$ 4,277.50	\$ 1,380.00	\$ 2,787.50			\$ 76,092.50

Invoice

W.R. GRACE & CO. ET AL.
Summary of Hours by Category
For the period August 1, 2002 through August 31, 2002

Rate Fees Per Professional	Business Analysis	Corporate Finance	Data Analysis	Case Administration	Claims Analysis/Objections/ Administration (asbestos)	Creditors Committee	Employee Benefits/ Pension	Fee Applications, Applicant	<u>TOTAL</u>		
									<u>Task Code</u>	<u>2</u>	<u>3</u>
\$ 550	\$ 6,160.00	E. Ordway			4.8	0.7	2.5	0.5		2.2	0.0
\$ 440	\$ 10,450.00	S. Cunningham			8.5	4.5	9.3	0.0		0.0	11.2
\$ 375	\$ 4,500.00	C. Whitney			7.4	0.0	4.6	0.0		0.0	1.5
\$ 375	\$ 20,587.50	W. Gilligan			45.6	0.0	0.0	0.0		0.0	23.8
\$ 350	\$ 31,605.00	L. Hamilton			33.6	13.2	3.3	10.6		1.5	12.0
\$ 325	\$ 975.00	J. Schwendeman			0.0	0.0	3.0	2.6		7.8	54.9
\$ 150	\$ 1,440.00	M. Hakon			6.0	0.0	2.3	0.0		2.9	0.0
\$ 75	\$ 375.00	N. Backer			0.0	0.0	0.0	0.0		0.0	24.1
<u>Totals</u>					<u>105.9</u>	<u>18.4</u>	<u>25.0</u>	<u>15.0</u>	<u>4.4</u>	<u>6.6</u>	<u>7.8</u>
<u><u>\$ 76,092.50</u></u>									<u><u>26.7</u></u>	<u><u>209.8</u></u>	

Invoice

W.R. GRACE & CO. ET.AL.
Professional Services Rendered by Edwin N. Ordway, Jr.
For the period August 1, 2002 through August 31, 2002

Date	Task Code	Description	Hours
1-Aug	8	Prepared and edited affidavits regarding acquisition of PwC's financial advisory practice.	0.3
8-Aug	4	Read and analyzed counsel's memo regarding Sealed Air matters.	0.5
9-Aug	4	Read and analyzed Armstrong memo prepared by counsel.	0.4
12-Aug	4	Read and analyzed insolvency analysis prepared by Conway and prepared list of items for staff to analyze and investigate.	1.3
13-Aug	2	Read and analyzed most recent monthly Trustee report and prepared list of items for investigation.	1.2
14-Aug	8	Reviewed and edited document for supplemental affidavit regarding disclosure of BRS acquisition.	0.2
14-Aug	2	Analyzed sales performance of Performance Chemical division.	1.1
14-Aug	9	Read and analyzed recent news and industry trend reports relating to asbestos litigation.	0.5
14-Aug	11	Called Committee chair to discuss quarterly performance and impact on valuations.	0.3
14-Aug	2	Prepared trend analysis for revenues by major category to compare to peer group.	0.7
15-Aug	11	Obtained and read industry analyses referred to in Conway insolvency report.	1.7
19-Aug	2	Updated near-term work plan.	0.1
20-Aug	4	Met with staff to discuss fraudulent conveyance issues and next steps to be performed.	0.3
26-Aug	11	Read and analyzed agenda for upcoming hearings and called chair to discuss.	0.2
27-Aug	2	Prepared and edited report for Committee regarding 2nd quarter operating performance versus plan.	1.7

27-Aug	3	Analyzed data regarding proposed acquisition and prepared and edited report on same.	0.7
Total Hours - August			<u><u>11.2</u></u>

Invoice

W.R. GRACE & CO. ET.AL.
Professional Services Rendered by Sean Cunningham
For the period August 1, 2002 through August 31, 2002

Date	Task Code	Description	Hours
2-Aug	4	Read and analyzed Judge's decision regarding fraudulent conveyance litigation.	1.0
6-Aug	16	Prepared information regarding response to recent fee audit.	1.5
7-Aug	2	Analyzed results of operations for the 2nd quarter and year-to-date period compared to plan and prior year.	2.5
7-Aug	2	Prepared questions for conference call with Debtors.	1.0
8-Aug	2	Participated in conference call with Debtors' management regarding 2nd quarter financial results.	1.5
8-Aug	3	Read and edited draft memorandum to Committee regarding the pending ART acquisition.	1.0
9-Aug	4	Read and analyzed Conway Del Genio Gries & Co., LLC (CDG) report and the expert witness testimony of Charles E. Bates regarding fraudulent conveyance litigation.	1.8
9-Aug	3	Discussed and analyzed ART acquisition pro forma data.	1.3
14-Aug	4	Continued to read and analyze expert testimony regarding asbestos valuations in the fraudulent conveyance litigation.	1.5
20-Aug	4	Read and discussed analytic approach to CDG valuation in preparation for report to Committee.	1.0
22-Aug	4	Read and analyzed transcripts of various court rulings regarding fraudulent conveyance.	1.5
23-Aug	2	Read and edited financial analysis and draft report pertaining to 2nd quarter financial performance.	3.5
26-Aug	3	Updated report and analysis pertaining to ART acquisition.	2.2
30-Aug	4	Prepared analysis of valuation methodology utilized in CDG report.	2.5
Total Time - August			23.8

Invoice**Exhibit D**

W.R. GRACE & CO. ET.AL.
Professional Services Rendered by Christina Whitney
For the period August 1, 2002 through August 31, 2002

Date	Task Code	Description	Hours
20-Aug	2	Read and analyzed Debtors' 2nd quarter 2002 financial package.	3.2
21-Aug	2	Prepared and edited the report analyzing 2nd quarter 2002 performance.	4.2
22-Aug	4	Read and analyzed the expert testimony solvency analysis prepared by Conway Del Genio Gries & Co., LLC and the expert witness report of Charles E. Bates.	4.6
Total Hours - August			<u>12.0</u>

Invoice

W.R. GRACE & CO. ET.AL.
Professional Services Rendered by Walter Gilligan
For the period August 1, 2002 through August 31, 2002

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
6-Aug	2	Analyzed 2nd quarter performance by reviewing monthly financial reports and business plan data and prepared list of questions for conference call.	5.4
7-Aug	2	Continued to analyze 2nd quarter performance and prepare list of questions for conference call.	3.2
8-Aug	11	Participated in 2nd quarter performance conference call with Debtors.	1.5
12-Aug	2	Analyzed Debtors' 2nd quarter sales and EBITDA performance.	1.8
16-Aug	2	Continued to analyze Debtors' 2nd quarter sales and EBITDA performance.	4.2
16-Aug	2	Read and analyzed Debtors' 10 Q report.	2.6
19-Aug	2	Started preparation of a report for the Committee summarizing our findings and observations regarding operational performance.	6.9
19-Aug	12	Reviewed court documents filed related to Debtors' KERP motion.	3.5
20-Aug	2	Analyzed Debtors' current balance sheet and changes in working capital.	5.4
21-Aug	2	Continued to analyze Debtors' 2nd quarter sales and EBITDA performance.	4.4
21-Aug	2	Continued preparation of report to the Committee.	3.2
22-Aug	12	Prepared summary of motions related to Debtors' KERP proposal.	4.3
22-Aug	2	Analyzed Debtors' corporate overhead and quantified variances to plan and prior year.	3.1
23-Aug	2	Analyzed divisional level overhead and quantified variances to plan and prior year.	3.1
23-Aug	2	Continued preparation of report to Committee.	2.3
Total Hours - August			<u>54.9</u>

Invoice

W.R. GRACE & CO. ET. AL.
Professional Services Rendered by Libby Hamilton
For the period August 1, 2002 through August 31, 2002

Date	Task Code	Description	Hours
1-Aug	8	Prepared disclosure documents regarding BRS acquisition.	1.6
6-Aug	3	Analyzed ART acquisition transaction.	6.2
6-Aug	2	Read and summarized 2nd quarter results of operations by reviewing Debtors' report.	0.8
6-Aug	2	Prepared questions for conference call regarding 2nd quarter results of operations based on review of Debtors' report.	1.2
6-Aug	8	Updated disclosure documents regarding BRS acquisition.	1.1
7-Aug	16	Read fee audit report and prepared initial response.	4.0
7-Aug	11	Held discussions with counsel regarding BRS acquisition and fee audit.	0.6
7-Aug	8	Updated disclosure documents regarding BRS acquisition.	2.1
7-Aug	8	Held discussions with PwC regarding BRS's W.R. Grace engagement and receivable status.	1.3
7-Aug	3	Prepared report on ART acquisition and discussed details of transaction with P. Zilly at Blackstone.	1.1
8-Aug	16	Continued to prepare response to fee audit report.	7.5
8-Aug	2	Participated in conference call with Debtors' management regarding 2nd quarter results of operations.	0.5
9-Aug	2	Distributed reports to counsel.	0.9
9-Aug	16	Prepared 5th Quarterly fee application.	1.0
9-Aug	3	Continued to prepare ART acquisition report.	3.6
9-Aug	8	Discussed BRS disclosure documents with J. Stegengas.	0.2
9-Aug	3	Discussed ART acquisition transaction with P. Zilly at Blackstone.	0.2
12-Aug	9	Prepared memo regarding Babcock & Wilcox asbestos issues.	2.6
13-Aug	3	Finalized ART acquisition report.	0.9

14-Aug	11	Prepared documents and discussed same with M. Kelly at Willkie Farr regarding BRS acquisition.	0.7
14-Aug	16	Set up phone interview with fee auditor.	0.4
14-Aug	8	Prepared BRS disclosure documents for J. Stegengas.	0.5
15-Aug	4	Read and analyzed A. Krieger email regarding expert report.	0.6
16-Aug	2	Prepared schedules analyzing 2nd quarter results of operations including comparisons to plan and prior year.	4.4
16-Aug	8	Held discussions regarding BRS disclosure documents with A. Pasacreta and M. Kelly at Willkie Farr.	0.6
19-Aug	2	Prepared report on 2nd quarter results of operations including commentary based on conference call with Debtors.	7.6
20-Aug	2	Continued to prepare report on 2nd quarter results of operations.	5.4
20-Aug	8	Read and edited latest versions of BRS disclosure documents and forwarded documents to counsel.	0.5
20-Aug	4	Reviewed interlocutory order regarding the Sealed Air motion in the fraudulent conveyance proceedings and prepared summary memo.	1.2
20-Aug	16	Prepared July fee application.	1.1
20-Aug	16	Prepared documents for use in fee audit hearing.	0.3
20-Aug	8	Prepared BRS disclosure documents package for review by case manager.	0.3
21-Aug	8	Prepared emails and discussed latest versions of BRS disclosure documents with A. Pasacreta and M. Kelly at Willkie Farr.	1.9
21-Aug	11	Prepared emails and discussed BRS disclosure documents and response to fee audit with counsel.	0.5
21-Aug	2	Continued to prepare report on 2nd quarter results of operations by including summary of analyses of acquisition and divestiture activities.	2.3
21-Aug	8	Updated BRS disclosure documents.	0.5
22-Aug	4	Obtained, read and analyzed current topical motions and orders after reviewing latest court docket listing.	1.5
22-Aug	16	Participated in conference calls with fee auditor.	0.8

22-Aug	16	Continued to prepare July fee application.	3.1
22-Aug	16	Updated response to fee audit and distributed it to team members and to counsel.	2.1
22-Aug	2	Continued to prepare report on 2nd quarter results of operations by including commentary on results of operations by division.	1.6
22-Aug	11	Discussed attendance at fee audit hearing with counsel.	0.9
23-Aug	2	Continued to prepare report on 2nd quarter results of operations by including commentary on results of operations by division.	2.1
23-Aug	3	Updated ART acquisition report.	1.2
23-Aug	16	Prepared emails and held discussions with counsel and fee auditor regarding fee audit.	0.6
26-Aug	2	Continued to prepare report on 2nd quarter results of operations by including commentary on results of operations by division.	3.1
28-Aug	2	Edited report on 2nd quarter results of operations	2.0
28-Aug	16	Held discussion with fee auditor regarding new task codes.	0.2
28-Aug	11	Held discussion with counsel regarding ART acquisition and fee audit process.	0.2
29-Aug	2	Finalized 2nd quarter report and distributed to Committee member and counsel for comment.	1.7
29-Aug	16	Continued to prepare July fee application.	1.8
30-Aug	16	Continued to prepare July fee application.	1.2
Total Hours - August			<u>90.3</u>

Invoice

W.R. GRACE & CO. ET. AL.
Professional Services Rendered by Jeffrey E. Schwendeman
For the period August 1, 2002 through August 31, 2002

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
9-Aug	4	Prepared analysis of recent news and industry trade reports relating to recent asbestos litigation negotiations for the Debtors and competitors.	0.9
16-Aug	4	Prepared analysis of recent economic releases and the impact on the heavy construction industry.	1.3
26-Aug	4	Prepared analysis of recent news and industry trade reports relating to recent asbestos litigation negotiations for the Debtors and competitors.	0.8
Total Hours - August			<u>3.0</u>

Invoice

W.R. GRACE & CO. ET.AL.
 Professional Services Rendered by Matt Hakoun
 For the period August 1, 2002 through August 31, 2002

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
8-Aug	9	Prepared an update of the asbestos litigation memorandum.	1.3
12-Aug	2	Analyzed company 2nd quarter filing, gathered earnings releases for selected competitors and prepared a schedule to compare financials.	3.5
13-Aug	2	Continued compiling and entering data into financial comparison spreadsheet.	2.5
21-Aug	4	Gathered economic data on housing and researched economic indicator that directly relate to housing and building and compiled a trend history.	2.3
			<u>9.6</u>

Invoice

W.R.GRACE & CO. ET AL.
Professional Services Rendered by Nancy Backer
For the period August 1, 2002 through August 31, 2002

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
7-Aug	8	Updated docket listing of motions and orders. Distributed selected items to case team members.	0.7
8-Aug	8	Updated docket listing of motions and orders. Distributed selected items to case team members.	0.9
9-Aug	16	Processed time descriptions for entry into fee application.	0.6
12-Aug	16	Processed time descriptions for entry into fee application.	0.5
22-Aug	8	Updated docket listing of motions and orders. Distributed selected items to case team members.	1.0
23-Aug	8	Updated docket listing of motions and orders. Distributed selected items to case team members.	1.3
Total Hours - August			<u>5.0</u>

Invoice

W.R. GRACE & CO. ET. AL.

Summary of Expenses by Type of Expense

For the period August 1, 2002 through August 31, 2002

Copies:

Internal	\$ 181.80
External	-

Telecommunications:

Telephone	-
Toll Charges	1,012.07
Faximile	40.00
Postage, Federal Express, Airborne	30.36

Travel Expenses:

Transportation, lodging, tolls and parking	-
Meals	-

Total Expenses	<u>\$ 1,264.23</u>
----------------	--------------------

Invoice

W.R. GRACE & CO. ET. AL.
Detail of Expenses by Type of Expense
For the period August 1, 2002 through August 31, 2002

<u>Copies, Internal</u>	1,212	pages @ \$0.15/page:	\$ 181.80
<u>Facsimile Charges:</u>	40	pages @ \$1.00/page:	40.00
<u>Telephone Charges:</u>			-
<u>Toll Charges:</u>		Subscriptions and Online research fees	1,012.07
<u>Postage, Federal Express:</u>	Airborne	7-Aug	14.32
	Airborne	23-Aug	16.04
<u>Transportation, lodging, tolls and parking:</u>			-
<u>Meals:</u>			-
<u>Total</u>			<u>\$ 1,264.23</u>